

FEB-27-2008 15:04 FROM:MANELLI DENISON

2028870336

TO:1035#59712#140133160 P.2/3

2000 M Street, N.W. 7th Floor Tel 202.261.1000
Washington, D.C. 20036-3307 Fax 202.887.0336

MANELLI DENISON & SELTER PLLC
ATTORNEYS

DID: (202) 261-1026
Email: mselter@mdslaw.com
www.mdslaw.com

February 27, 2008

VIA FAX (212-805-6382)
AND OVERNIGHT DELIVERY

Honorable Victor Marrero
United States District Court
Southern District of New York
United States Courthouse
500 Pearl Street
Room 660
New York, New York 10007

Re: Knox v. Palestine Liberation Organization, No. 03-4466
Defendants' Motion For Relief From Judgment

Dear Judge Marrero:

I am counsel for Bernard J. Bucheit in his lawsuit against the Palestine Liberation Organization ("PLO") and the Palestinian Authority ("PA"), No. 00-1455 (D.D.C.).

I have become aware of the Defendants' motion for relief from judgment in the referenced case. Counsel for the Defendants represent that they have an understanding that their clients will engage in a good faith course of responding to the action in a cooperative and complete manner. Memorandum in support of Defendants' Motion for Relief from Judgment, p. 4 (July 31, 2007). As evidence that Defendants intend to comport themselves in accordance with the rules of the Court, Defendants point to their paying a long-outstanding discovery sanction. *Id.* p. 2 n.2. They also agreed to post a bond in the amount of \$1 million, payable to the Plaintiffs if the Court grants their motion and they then default.

I am writing to call the Court's attention to the PLO's and PA's conduct in Mr. Bucheit's lawsuit that is inconsistent with their representations here. That action was fully litigated and contested on the merits. After a bench trial, on August 15, 2003, Judge Gladys Kessler of the U.S. District Court for the District of Columbia found the PLO and PA liable for conversion relating to Mr. Bucheit's cement plant in Gaza. The District Court awarded Mr. Bucheit damages in the amount of \$1,531,053.34. Upon appeal by both sides, the D.C. Circuit affirmed the District Court's judgment. *Bucheit v. Palestine Liberation Organization*, 388 F.3d 346 (D.C. Cir. 2004). The PLO and PA have not made any effort to pay the judgment. Mr. Bucheit has filed a proceeding in Israel to enforce the judgment, which the PLO and PA are vigorously contesting.

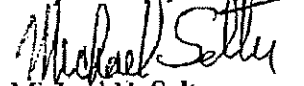
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Upon learning of the Defendants' motion for relief from the judgment in this case, I spoke with counsel for Defendants and told him that I thought it was inconsistent for Defendants to represent that they would honor the rules of this Court if the judgment were vacated while at the same time refusing to honor a valid and fully contested judgment of the U.S. District Court of the District of Columbia. Counsel for the Defendants said that the scope of his representation does not extend to the *Bucheit* case.

I respectfully request that the Court take into account the PLO's and PA's failure to honor the judgment in *Bucheit* in considering their motion for relief in this case.

I will be happy to submit this letter in the form of a more formal filing if the Court so requests.

Respectfully yours,



Michael H. Selter

of

Manelli Denison & Selter P.L.L.C.

Counsel for Bernard J. Bucheit

cc: David J. Strachman, Esq. (via facsimile)
Counsel for Plaintiffs
Fax. No.: 401-331-6095

Richard A. Hibey, Esq. (via facsimile)
Counsel for Defendants Palestinian Authority
And Palestine Liberation Organization
Fax. No.: 202-626-5888

FEB-27-2008 15:04 FROM:MANELLI DENISON

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TO:1035#59712#140133160 P.1/3

2000 Street, NW Suite 700 Tel 202.261.1000
Washington, D.C. 20036-3307 Fax 202.887.0336

MANELLI DENISON & SELTER PLLC

FACSIMILE TRANSMISSION

TO: David Strachman

FA X: 401.331.6095

FROM: Michael H. Selter

PHONE: 202.261.1026

DATE: February 27, 2008

CLIENT NO: 59712

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